



General Assembly

Substitute Bill No. 5522

February Session, 2000

An Act Concerning The Historic Structures Tax Credit.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 (NEW) (a) As used in this act, the following terms shall have the
2 following meanings unless the context clearly indicates another
3 meaning:

4 (1) "Commission" means the Connecticut Historical Commission
5 established under section 10-321 of the general statutes;

6 (2) "Historic structure" means a building that: (A) Is located in a
7 targeted area, (B) is (i) listed individually on the National or State
8 Register of Historic Places, or (ii) located in a district listed on the
9 National or State Register of Historic Places, and has been certified by
10 the commission as contributing to the historic character of such
11 district, and (C) produces income after rehabilitation;

12 (3) "Owner" means any person, partnership, nonprofit corporation,
13 business corporation or other business entity recognized by the state
14 filing a state of Connecticut tax return and possessing title to an
15 historic structure, or prospective title to an historic structure in the
16 form of a purchase agreement or option to purchase;

17 (4) "Targeted area" means: (A) A federally designated "qualified
18 census tract" in which seventy per cent or more of the families have a
19 median income of eighty per cent or less of the state-wide median

20 family income, (B) a state designated and federally approved area of
21 chronic economic distress, or (C) an urban and regional center as
22 identified in the Connecticut Conservation and Development Policies
23 Plan;

24 (5) "Qualified rehabilitation expenditures" means any costs incurred
25 for the physical construction involved in the rehabilitation of an
26 historic structure, but excludes: (A) The owner's personal labor, (B) the
27 cost of site improvements, unless to provide building access to persons
28 with disabilities, (C) the cost of a new addition, except as may be
29 required to comply with any provision of the State Building Code or
30 the State Fire Safety Code, (D) any cost associated with the
31 rehabilitation of an outbuilding, unless such building contributes to
32 the historical significance of the historic structure, and (E) any
33 nonconstruction cost such as architectural fees, legal fees and financing
34 fees; and

35 (6) "Rehabilitation plan" means any construction plans and
36 specifications for the proposed rehabilitation of an historic structure in
37 sufficient detail to enable the commission to evaluate compliance with
38 the standards developed under the provisions of this act.

39 (b) (1) Prior to beginning any rehabilitation work on an historic
40 structure, the owner shall submit a rehabilitation plan to the
41 commission for a determination of whether such rehabilitation work
42 meets the standards developed under the provisions of this act, and
43 shall also submit to the commission an estimate of the qualified
44 rehabilitation expenditures.

45 (2) If the commission certifies that the rehabilitation plan conforms
46 to the standards developed under the provisions of this act, the
47 commission shall reserve for the benefit of the owner an allocation for
48 a tax credit equivalent to thirty per cent of the projected qualified
49 rehabilitation expenditures.

50 (3) Following the completion of rehabilitation of an historic
51 structure, the owner shall notify the commission that such

52 rehabilitation has been completed. The owner shall provide the
53 commission with documentation of work performed on the historic
54 structure and shall certify the cost incurred in rehabilitating the
55 historic structure. The commission shall review such rehabilitation and
56 verify its compliance with the rehabilitation plan. Following such
57 verification, the commission shall issue a tax credit voucher to either
58 the owner rehabilitating the historic structure or to the taxpayer named
59 by the owner as contributing to the rehabilitation. The tax credit
60 voucher shall be in an amount equivalent to thirty per cent of qualified
61 rehabilitation expenditures, except that such amount shall not exceed
62 five hundred thousand dollars. In order to obtain a credit against any
63 state tax due that is specified in this act, the holder of the tax credit
64 voucher shall file the voucher with the holder's state tax return.

65 (4) The owner of an historic structure shall not be eligible for a tax
66 credit voucher under this act, unless the owner incurs qualified
67 rehabilitation expenditures exceeding twenty-five thousand dollars.

68 (c) (1) The Commissioner of Revenue Services shall grant a tax
69 credit to a taxpayer holding the tax credit voucher issued under this
70 act, against any tax due under chapter 207, 208, 209, 210, 211 or 212 of
71 the general statutes, as amended, in the amount specified in the tax
72 credit voucher. Such taxpayer shall submit the voucher and the
73 corresponding tax return to the Department of Revenue Services.

74 (2) The tax credit issued under this act shall be taken by the holder
75 of the tax credit voucher in the same tax year in which the voucher is
76 issued. Any unused portion of such credit may be carried forward to
77 any or all of the four taxable years following the year in which the tax
78 credit voucher is issued.

79 (d) The aggregate amount of all tax credits which may be reserved
80 by the commission upon certification of rehabilitation plans under this
81 act shall not exceed three million dollars in any one fiscal year.

82 (e) The Connecticut Historical Commission shall adopt regulations,
83 in accordance with chapter 54a of the general statutes, to carry out the

84 provisions of this section.

HSG Committee Vote: Yea 11 Nay 0 JFS C/R PD

PD Committee Vote: Yea 16 Nay 0 JFS C/R FIN